# Consent Orders for Procurement & Other Quality Assurance Issues

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## Introduction

**Subject:** Procurement of Safety Class Piping for

Tank Farm Facility and Other Quality

**Assurance Issues** 

**Contractors:** CH2M-Hill and FSS

DOE Office: Office of River Protection

DOE Coordinator: John Clark, Office of River Protection

Brian Fiscus, Richland Area Office

EH-10 Lead: Sharon Hurley

# Background

- CH2M-Hill is prime contractor for Office of River Protection.
- CH2M-Hill acquired contract for piping from Lockheed Martin Hanford.
- FFS was a subcontractor for CH2M-Hill.
- FFS provided services at Tank Farm Facility.

# Background (Continued)

#### **Precursors to Consent Orders**

- FFS was approved as a subcontractor for the Hanford Site by Fluor Hanford, Inc.
- FFS contracted with Perma Pipe to fabricate Safety class piping for use at the Tank Farm Facility.
- FFS also provides A/E and construction services to Fluor Hanford Inc., and other DOE contractors at the Hanford site.

# **Description of Problem/Occurrence**

#### **Precursors to Consent Orders**

- •FFS issued purchase order to Perma Pipe to fabricate 127 linear feet of safety class piping.
- •Piping was to be used to transfer nuclear waste.
- Piping was delivered to FFS.

# **Description of Problem/Occurrence**

#### **Precursons to Consent Orders (Continued)**

- FFS completed receipt inspection and accepted piping for use.
- FFS pipefitters discovered problems with piping just prior to installation.
- CH2M-Hill reported the problem into the NTS.
- CH2M-Hill requested that Fluor Hanford, Inc., perform early supplier audit of FFS.

# **Description of Problem/Occurrence**

#### **Precursors to Consent Orders (Continued)**

- Supplier audit identified 11 findings related to quality assurance requirements, such as--
  - Deficiencies in work processes;
  - Deficiencies in control of purchased items and services;
  - Deficiencies in procurement.
- Fluor Hanford, Inc., reported the audit findings and the FFS problems into the NTS.

# How was Problem Identified? How was DOE Notified?

#### CH2M-Hill

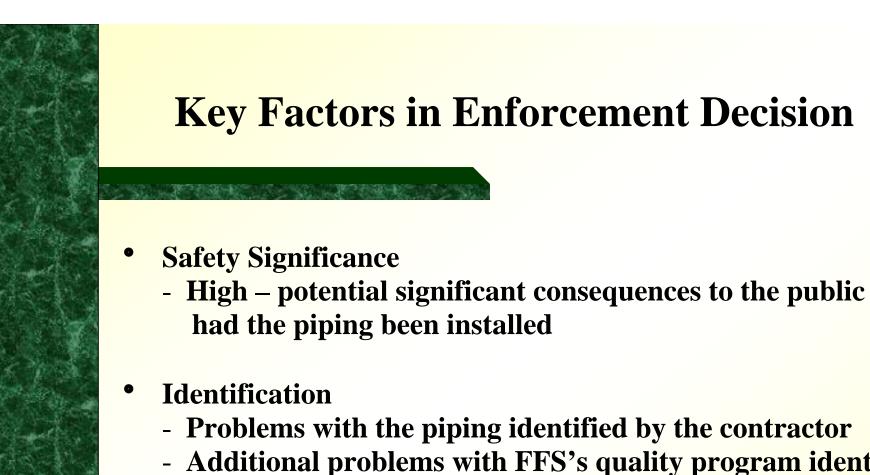
- **Pipefitters discovered problems with the piping from Perma Pipe.**
- CH2M-Hill and Fluor Hanford, Inc., conducted investigations and identified problems with Perma Pipe acquisition.
- cH2M-Hill reported problems into the NTS.

# How was Problem Identified? How was DOE Notified?

## FS

An audit by Fluor Hanford, Inc., identified programmatic deficiencies in FFS' quality assurance program.

Fluor Hanford, Inc. reported the quality deficiencies into the NTS



- Problems with the piping identified by the contractor
- Additional problems with FFS's quality program identified **Contractor-initiated audit**
- Corrective actions
  - Timely and comprehensive

# **Key Factors in Enforcement Decision**

- Prior history of similar violations
  - None with CH2M-Hill
  - Prior quality assurance problems at Hanford
- Factors in decision to issue consent orders
  - Quality problems self-identified
  - Investigation by contractors comprehensive and timely
  - Corrective actions comprehensive

### **Enforcement Outcome**

#### • FFS

- Consent Order
- \$100,000 Payment
- Payment reinforces that --
  - FFS is responsible for implementation of adequate quality assurance to prevent recurrence.

#### CH2M-HILL

- Consent Order
- \$50,000 Payment
- Payment reinforces that CH2M Hill is responsible--
  - To adequately monitor subcontractors;
  - To keep commitments to improve quality assurance program to preclude recurrence of problems.